

Dear Honorable Judge Martin Glenn,

My name is Alexander Kitayev, I have been a Celsius customer since 2019. I have a substantial amount of money in the Celsius Network. I have personally met Alex Mashinsky and other employees of Celsius many times at conferences, events and have always felt our conversations to be fruitful, constructive and aspiring. Celsius was trying to build a financially innovative company and help the average user save money with tempting yields. I have introduced many people to Celsius, including family, friends and employees. I have taken 3 loans with them, earned yield for close to 3 years with no issues, and I have been a huge supporter and advocate for Celsius, until recently. I would like to present to you with one specific case that I personally find hard to believe as well as some final remarks about the company overall. Your time is greatly appreciated.

Last year (2021) I have taken out a secured loan with Celsius which was for \$10,000 USDC, putting down \$40,000 (at 25%LTV) USD worth of MATIC (Crypto token) at the time as collateral on their platform. I got margin called & later liquidated. The issue is that I've had more than enough additional collateral already in the Celsius app/account to use to lower my liquidation level. Celsius chose not to use it and asked me to deposit more funds - which was not even possible to do because they froze account deposits/withdrawals. So, I was forced to watch myself get liquidated although I've had the collateral all along on their app and was even willing to deposit additional funds to pay back my loan in full. They have blocked all possible ways for me to either pay back my loan with additional money I was willing to put in OR to use my current MATIC on their app as additional collateral.

Celsius claimed that they couldn't use that collateral because it was in my earn account, not in my custody account. This change only happened in April of this year (2022). So, I've contacted Celsius to switch my collateral from my earn account into my custody account so I can add it to lower my liquidation threshold OR give me the option to put new money in and lower my liquidation. Both attempts failed. After several attempts to contact them, one representative emailed me that he would switch my MATIC from my earn account to my custody account. I have complete email transcripts – including the Celsius employee telling me that they will be moving and then using my collateral, but never did.

I have gotten wrongfully liquidated and did not have any opportunity or avenue to add more collateral because their transactions were halted as of June, and their updated Custody/earn accounts did not help with this process. Until this day, my MATIC (along with all my other coins/tokens) are still on that app. unmovable. It's a very chilling feeling because I, as well as many others have been building up a nest egg with Celsius Network, just to not be able to get hold of it again.

As balance sheets became public, as well as public blockchain transaction and various other sources of information get compiled and analyzed, we can see a clearer picture of what happened, and who this man Alex Mashinsky really is. I would like to make the following additional points below:

1. As per their official bankruptcy filing, Celsius has loses over a billion USD. These loses were heavily accrued prior to 2021. Following the realization that they have massively overextended, Celsius began changing their business model to accommodate this hole. They knew for nearly two years that they could not pay everyone back. Yet, hours before suspending withdrawals, Alex Mashinsky was offering incentives for new users that open accounts, constantly assuring everyone that they can access their money anytime they want and ridiculing everyone who was talking against him.
2. On the 7th of July 2022, Jason Stone, CEO of KeyFi has filed a lawsuit against Celsius Network for negligently lying to them, overexposing their balance sheet to market conditions, and along with many other accusations calling Celsius Network a Ponzi Scheme. Jason Stone was the head of DeFi lending for Celsius.
3. CEL token manipulation. Timothy Cradle, Director of Financial Crimes Compliance states that top executives were openly discussing how the company could use client funds to manipulate the price of CEL token (currently, an unregistered security), as well as describing a failure of risk management. According to Arkham Report and multiple validation sources, Alex Mashinsky sold \$40,000,000 USD of CEL token in 2021 alone. This happened after the company was aware there was a hole in the balance sheet. This occurred on the same exchange as Celsius (the company) itself was buying CEL tokens to pay their users rewards. Further, Alex Mashinsky gave his wife 15 million CEL tokens (at the time worth \$20,000,000) for her birthday for her to only sell it in the coming months as well. As the value of the CEL token went up, Alex Mashinsky and his wife walked away with an excess of \$60,000,000 USD while the company itself went down in flames.
4. Celsius was engaging in high-risk strategies without mitigating downside. This explains their loss of tens of millions of dollars though StakeHound – a startup staked Ethereum initiative. Celsius is connected to all six of the top six holders for the StakeHound Ethereum. This is verifiable and proven on the public blockchain. There are other instances as well, including Badger as well as the company claiming they don't participate in giving out unsecured loans, when they turned out to be outright lying.
5. Nikki Goodstein, former Total Rewards Leader at Celsius Network – a senior position in human resources, has come out and acknowledged that they were told specifically not to background check the incoming CFO Yaron Shalem. Yaron Shalem turned out to be arrested on charges of money laundering.

The level of deception this man has shown, the sheer amount of people that he has ruined has degraded him below the threshold of a man. The company is burning roughly \$800,000 per workday while the company is shut down, users cannot withdraw any money and there is no end in sight. This can take years to resolve. These are depositors' life savings being burned away every single day that passes.

Thank you for your valuable time,

Alexander Kitayev